

FINANCE COMMITTEE REPORT

October 1, 2013

A Finance Committee meeting was held Tuesday, October 1, 2013 at 6:00 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Allen, J. Harrison, Jones, Chiocco, Curry, Moore, Moehring

Others Present: JPs Anglin, Meyers and Hernandez, County Judge Bob Clinard, County Assessor Glenn “Bear” Chaney, Comptroller Sarah Daniels, Accounting Manager Mike Crandall, Department of Emergency Management Director Robert McGowen

Tom Sissom – Benton County Daily Record

Chair JP Allen called the meeting to order.

01. Grants Administrator Report

Accounting Manager Mike Crandall reported that: 1) application for the Department of Homeland Security SHSGP FY 13 Grant and the Department of Homeland Security LETPP FY13 Grant have been submitted and that they are waiting for approval; 2) the Arkansas State Police – Selective Traffic Enforcement Program (STEP) FY 2014 had been awarded; 3) the Department of Justice Bulletproof Vests Grant and the Department of Justice –Justice & Mental Health Collaboration Program were not awarded; 4) the Department of Justice Adult Drug Court Grant – FY 2013 with a 25% State Match for two years was not awarded. He said that this grant paid for a counselor and assistant for the Adult Drug court and that Circuit Judge Tom Smith will be requesting the court to continue that funding in 2014; 5) the Department of Finance & Administration – JDC State Grand-in Aid for \$22,082.00 was awarded with no match and will be used to supplement the Juvenile Detention Center general fund budget.

02. Appropriation Ordinance Request – Road Dept. Dept. 44, Fund 010

Comptroller Sarah Daniels stated that this appropriation ordinance request is for an additional \$800,000 for storm damage expenditures, and that additional appropriations will be made in the 2014 budget for storm damages. She stated that the county will receive approximately \$750,000 or 87.5 % reimbursement from the state and federal governments after the work is done and approved. Sarah Daniels stated the county’s portion of the total storm damage estimates was \$1 million for the April storm and \$3.5 million for the August storm. She said the Road Department would like to get a majority of those damages repaired before possible winter weather hits.

JP Allen stated that he would like an update of the work that had been planned in the 2013 Road Plan, and on what they have been doing with the money that was appropriated. He asked County Judge Bob Clinard to present an update of the 2013 Road Plan at the November 05, 2013 Finance Committee meeting, or earlier if possible, since they are in the process of making decisions for the 2014 budget.

JP Jones made motion to approve and forward the appropriation ordinance request to the October 8, 2013 Committee of the Whole agenda, seconded by JP Chiocco.

Motion passed by unanimous show of hands vote.

03. Appropriation Ordinance Request – County Judge’s Office, Dept. 01, Fund 010

Sarah Daniels stated this appropriation ordinance request is to appropriate \$10,000 to pay for Rural Development Authority outsourcing of management services for Rural Water Districts #4 and #5.

Discussion was held on the appropriation request for \$10,000 to fund the Rural Development Authority to cover costs for outsourcing management services, and the option of raising the rates of the citizens in the Rural Water District #4 and #5 to pay for these management services.

JP J. Harrison made motion to approve and forward the appropriation ordinance request to the October 8, 2013 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

04. Appropriation Ordinance Request – Sheriff, Dept. 05, Fund 010

Lieutenant Randy Alsap from the Sheriff’s office stated that he is requesting that the funds left over in “Capital” that were not used to purchase new cameras be used to purchase a Fuel Management System to monitor fuel usage in the Sheriff’s Department.

Sarah Daniels stated this appropriation ordinance request is to transfer funds from “Capital” to “Supplies” to repair cameras that were originally budgeted in “Capital” for replacement. She stated that they are asking for approval to utilize the existing funds in “Capital” to purchase the fuel management system.

JP Moore made motion to approve and forward the appropriation ordinance request to the October 8, 2013 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

05. Appropriation Ordinance Request – Non-Dept. & Maintenance, Dept, 23, Fund 440

County Judge Bob Clinard stated that a verbal agreement for \$789,900 has been reached to purchase the USA Drug building located in Rogers. He said that remodeling costs of the USA Drug building have not been included in this request.

County Judge Bob Clinard stated that the County Clerk’s office is debating on whether to move from the Poplar Street office location or to remain there. He stated that the County Clerk has expressed her concern for election laws during early voting, such as people having political stickers in the parking lot or wearing them in adjoining offices. He stated that the County Clerk’s office is in charge of the archive records and that anything over 50 years old has to be kept in its original form, such as the old marriage and tax record books. He added that the county leases the Poplar Street building for \$1 year from the City of Rogers, but that the lack of

office space and ample parking make it unsuitable for the growing business being done at the site.

Discussion was held on moving the Collector's, Assessor's and County Clerk's offices from their current locations to the USA Drug building at 15th and Walnut in Rogers.

Sarah Daniels stated that this appropriation ordinance request is to transfer \$500,000 from Reserves into Dept. 23, Non-Dept. & Maintenance, Fund 440 to appropriate additional funds for the purchase of the building in Rogers for the satellite offices.

Further discussion was held on appropriating funds from Reserves to purchase the USA Drug building in Rogers.

JP Jones made motion to approve and forward the appropriation ordinance request to the October 8, 2013, Committee of the Whole agenda, seconded by JP Chiocco.

Motion passed by unanimous show of hands vote.

06. Sales Tax Numbers

Sarah Daniels reported that August sales tax receipts were up 11.19% for the month, showing an increase of 10% for the year, with a net gain of \$511,094 for 2013.

07. Jail Collections

Sarah Daniels reported that Jail Collections were up 16.06% over the revised \$900,000 budget amounts through September 2013 and that \$783,408 has been collected for the year.

08. Fuel Analysis

Accounting Manager Mike Crandall reported that the Road Department is at 85% of their budget, while the Sheriff's Department is at 77% of their budget. He stated that average unleaded fuel costs have decreased 5.5% to \$3.25 per gallon and that diesel has increased 1% to \$3.32 per gallon. He stated that year-to-date, \$71,509 has been transferred back to the Road Department.

09. Fund Summary

Mike Crandall reported on the Monthly Fund Summary, stating that the General Fund is at 72.12%, and the overall budget is at 65.25%.

10. Revenue Analysis – 3rd Quarter

Sarah Daniels stated that if this \$500,000 transfer is approved to purchase the USA Drug building the ending balance of total reserves would be \$16 to \$16.5 million, and that there would be \$13.2 million in unrestricted reserves.

Sarah Daniels reported that the county has received year to date \$160,000 from the ½ -cent sales tax for the roads. She added that she had figured \$420,000 for the last four months of this year.

Mike Crandall stated the county pays the state one percent sales tax on purchases for the county and that anything paid over \$2,500, the county receives back. He stated that each month, they submit a rebate form to the state, and this year they have received \$58,000 back from the state.

JP Allen thanked Sarah Daniels and Mike Crandall for initiating and taking advantage of the sales tax rebate for the county.

Other Business

JP Allen stated that the Monday, October 14, 2013 Finance/Budget meeting will be moved to Tuesday, October 15, 2013 at 6:00 p.m.

Announcements

JP Allen announced that Finance/Budget meetings will be held Tuesday, October 15, 2013, Monday, October 21, 2013 and Tuesday, October 29, 2013 at 6:00 p.m.

JP Allen announced that the regular Finance Committee meeting will be held Tuesday, November 5, 2013 at 5:30 p.m. and that a Finance/Budget meeting will be held immediately after the Finance Committee meeting.

Lengthy discussion was held on considering a range of compensation measures, including cost of living, merit pay raises, and longevity pay for county employees and changes to the benefits package.

JP Allen stated that he would rather see the Quorum Court consider the range of compensation in the budget process before embarking on changes to the pay scale and salary structure. He stated we need to explore all of the options that are available for employee compensation.

JP Allen stated that a Christmas bonus would give the employees a financial benefit at a time when budgets are typically tight and also help morale.

Sarah Daniels stated initial estimates for giving all employees a \$500 Christmas bonus will cost \$350,000.

JP Allen asked that information for a possible Christmas bonus be brought to the Finance Committee's November 5, 2013 meeting.

Further discussion was held on beginning the budget process by looking at the projected revenue and expenditures, with no pay increase.

Public Comments

None

Meeting adjourned at 8:18 p.m.